

Revised

2007-498

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended June 30, 2007

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (Apr)</u>	<u>Month 2 (MAY)</u>	<u>Month 3 (June)</u>
Total Supply Volumes Purchased	Mcf	7990	4619	3574
Total Cost of Volumes Purchased	\$	81980	54985	39289
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	8970	4557	3728
= Unit Cost of Gas	\$/Mcf	9.1394	12.066	10.5389
- EGC in effect for month	\$/Mcf	9.9074	9.9074	9.9074
= Difference [(Over-)/Under-Recovery]	\$/Mcf	(.768)	2.1586	.6315
x Actual sales during month	Mcf	8970	4557	3728
= Monthly cost difference	\$	(6889)	9837	2354

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	5302
+ Sales for 12 months ended <u>June 30, 2007</u>	Mcf	99973
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	.0530

RECEIVED
DEC 03 2007
PUBLIC SERVICE
COMMISSION

Auxier Road Gas Company, Inc.

Box 785
Prestonsburg, Kentucky 41653

Estill B. Branham
President

(606) 886-2314

NOVEMBER 30, 2007

MS. BETH O'DONNELL
EXECUTIVE DIRECTOR
PUBLIC SERVICE COMMISSION
P O BOX 615
FRANKFORT, KY 40602

RECEIVED
DEC 03 2007
PUBLIC SERVICE
COMMISSION

DEAR MS. O'DONNELL:

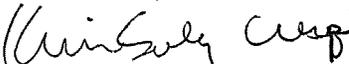
ENCLOSED IS THE GAS COST RECOVERY FOR JAN 1, 2008 THRU
MARCH 31, 2008.

PLEASE WAIVER THE 30-DAY REQUIREMENT CLAUSE TO A 20-DAY REQUIREMENT
DUE TO EXTRA PREPARATION OF CHESAPEAKE'S UNDERBILLING.

ALSO INCLUDED IS A REVISION OF SCHEDULE LV (ACTUAL ADJUSTMENT) FROM
OUR PREVIOUS FILING OF OCTOBER 1, 2007.

IF YOU HAVE ANY QUESTIONS, PLEASE CALL US AT THE ABOVE NUMBER.

SINCERELY,


KIMBERLY CRISP

Aurifer Rd Gas

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

November 30, 2007

Date Rates to be Effective:

January 1, 2008

Reporting Period is Calendar Quarter Ended:

September 30, 2007

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	10.1735
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(2.9359)
+ Balance Adjustment (BA)	\$/Mcf	(.0289)
= Gas Cost Recovery Rate (GCR)	\$/Mcf	<u>7.2087</u>

GCR to be effective for service rendered from July to Sept.

A. EXPECTED GAS COST CALCULATION

	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	1007286
+ Sales for the 12 months ended <u>Sept</u>	Mcf	99011
= Expected Gas Cost (EGC)	\$/Mcf	<u>10.1735</u>

B. REFUND ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Supplier Refund Adjustment for Reporting Period (Sch. III)	\$/Mcf	
+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
= Refund Adjustment (RA)	\$/Mcf	

C. ACTUAL ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	(.6209)
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	.0886
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(1.2526)
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(1.1510)
= Actual Adjustment (AA)	\$/Mcf	<u>(2.9359)</u>

D. BALANCE ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	.0022
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	(.0250)
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	.0360
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	(.0421)
= Balance Adjustment (BA)	\$/Mcf	<u>(.0289)</u>

SCHEDULE II
EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended Sept 30, 2007

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Constellation			72200	11.6367	840170
AEI-KAARS			5050	3.10	15655
Chesapeake Energy			5514	9.0868	50105
Nytis Exploration			11636	4.38	50966
Chesapeake (Under Billed)			5545	9.0868	50386
Totals			<u>99945</u>		<u>1007282</u>

Line loss for 12 months ended Sept 30, 2007 is 0 % based on purchases of 99945 Mcf and sales of 99011 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	1007282
+ Mcf Purchases (4)	Mcf	99945
= Average Expected Cost Per Mcf Purchased	\$/Mcf	10.0784
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	99945
= Total Expected Gas Cost (to Schedule IA.)	\$	1007286

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.

**Supplier's tariff sheets or notices are attached.

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended Sept 30, 2007

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (JUL)</u>	<u>Month 2 (AUG)</u>	<u>Month 3 (Sep)</u>
Total Supply Volumes Purchased	Mcf	3451	3594	3523
Total Cost of Volumes Purchased	\$	9451	9001	79147
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	3410	3414	3523
= Unit Cost of Gas	\$/Mcf	2.7716	2.6365	5.4349
- EGC in effect for month	\$/Mcf	9.6716	9.6716	9.6716
= Difference [(Over-)/Under-Recovery]	\$/Mcf	(6.90)	(7.0351)	(4.2367)
x Actual sales during month	Mcf	3410	3272	3523
= Monthly cost difference	\$	(23529)	(23019)	(14926)

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(61474)
÷ Sales for 12 months ended <u>Sept 30, 2007</u>	Mcf	<u>99011</u>
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	(6209)

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended Sept 30, 2007

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
(1) Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	(20077)
Less: Dollar amount resulting from the AA of <u>(.2050)</u> \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of <u>99011</u> Mcf during the 12-month period the AA was in effect.	\$	(20297)
Equals: Balance Adjustment for the AA.	\$	<u>220</u>
(2) Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	
Less: Dollar amount resulting from the RA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the RA was in effect.	\$	
Equals: Balance Adjustment for the RA.	\$	<u> </u>
(3) Total Balance Adjustment used to compute BA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	
Less: Dollar amount resulting from the BA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the BA was in effect.	\$	
Equals: Balance Adjustment for the BA.	\$	<u> </u>
 Total Balance Adjustment Amount (1) + (2) + (3)	 \$	 220
+ Sales for 12 months ended <u>Sept 30, 2007</u>	Mcf	<u>99011</u>
= Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	<u>.0022</u>

Auxier Road Gas Company, Inc.

Box 785
Prestonsburg, Kentucky 41653

Estill B. Branham
President

(606) 886-2314

	<u>BASE RATE</u>	<u>GAS COST REC</u>	<u>TOTAL</u>
FIRST MCF (MINIMUM BILL)	5.11	7.2087	12.3187
ALL OVER FIRST MCF	4.2599	7.2087	11.4686

.STATEMENT OF NATURAL GAS BY METER

November 20, 2007

INVOICE NUMBER 0116

OCTOBER 2007

**FROM: NYTIS EXPLORATION COMPANY, LLC
ATTN: RICHARD FINUCANE
2501 BROADWAY
CATLETTSBURG, KY 41168**

0 - *
3,661 836
3,661 836
**AUXIER ROAD GAS COMPANY
P.O. BOX 785
PRESTONSBURG, KY 41653**

**MEASURING STATION NO. 104
ALMA COAL CORPORATION
RATE PER MCF \$4.38**

Pd
11/19/07

CK# 026312

	<u>READING</u>	<u>DIFF</u>	<u>PRESSURE</u>	<u>MULT</u>	<u>MCF</u>	<u>AMOUNT</u>
	5,115					
		23	39.0	.7437	836	\$3,661.68
10/28/07	3,138					

Constellation NewEnergy - Gas Division

Sallye Brianham
606-886-2314
606/869-9995

9950 Corporate Campus Dr. Suite 2000, Louisville, KY 40223
Phone: (502) 426-4500 Fax (502) 426-8800

AUXIER ROAD GAS COMPANY
Estimated Citygate Prices if Bought Monthly

Month	(A) NYMEX 05/30/07	(B) Basis	(C) TCO Fuel	(D) TCO Transportation	(E) Auxier Road Gas Citygate (\$/Dth) (A+B)/(C+D)	(F) Estimated Consumption Dth <small>(Use of 2007 Consumption)</small>	(G) Total Cost Monthly (E*F)
Jan-08	\$8.3150	\$0.7500	0.98011	\$0.2127	\$9.4617	12,786	\$120,976.81
Feb-08	\$8.3900	\$0.7500	0.98011	\$0.2127	\$9.5382	15,071	\$143,749.97
Mar-08	\$8.2400	\$0.7500	0.98011	\$0.2127	\$9.3951	11,632	\$109,167.95
						39,489	\$373,894.72

BTU CONVERSION FACTOR 1.2288 X 9.47 = 11.6367

WACOG = \$9.47

304 720 1518

CHESAPEAKE APPALACHIA, LLC
900 Pennsylvania Avenue
P. O. Box 6070
Charleston, West Virginia 25362-0070

DATE: 11/14/07
BUS. PERIOD: 10/07

CLIENT NO.: 009985-01
CONTRACT NO.: SSE003
INVOICE NUMBER: SSE0030711
VOUCHER NUMBER: 00711579

Auxier Road Gas Company Inc.
P.O. Box 785
Prestonburg, KY 41653
Estil Branham

001 327.15+
Pd 327.15* 1

11/20/07
OK# 026316

BILLING RATE	DTH	AMOUNT	DATE
\$7.27	45	\$327.15	10/07

X 1.24850
9.0868

** INVOICE AMOUNT DUE ** \$327.15
** NET AMOUNT DUE ON OR BEFORE NOVEMBER 30, 2007**

Make Check Payable To: CHESAPEAKE APPALACHIA, LLC
Please Remit Check To: PO BOX 96-0277
OKLAHOMA CITY, OK 73196-0277
Please Return One Copy Of This Invoice With Your Remittance